



Customer: Xero
Website: www.xero.com
Customer Size: 200 employees
Country or Region: New Zealand
Industry: Professional services—IT services
Partner: Rackspace
Partner Website: www.rackspace.com

Customer Profile

Xero is a software company that makes Xero, an online accounting software program for small and midsize businesses and individuals. Based in Wellington, New Zealand, with offices worldwide, the firm employs nearly 200 people.

Solution Spotlight

- Can easily scale online offering to accommodate terrific business growth
- Can create more efficient code, which improves developer productivity and code performance
- Free to focus on the business rather than infrastructure worries

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Software Firm Upgrades Database, Trusts Hosting Partner to Deliver Easy Scalability

“By hosting SQL Server 2012 with Rackspace, we have the scalability we need to spin up databases very quickly and cost-effectively, thanks to the cloud delivery model.”

Paul Rushworth, Platform Manager, Xero

Based in New Zealand, Xero is a provider of online accounting software. With hosting partner Rackspace, it is in the process of upgrading to Microsoft SQL Server 2012 to take advantage of scalability and availability improvements. By hosting SQL Server 2012 with Rackspace, Xero gets on-demand scalability, high-performing code that runs more reliably, and a true business partner that takes care of infrastructure concerns so that it can focus on its business.

Business Needs

New Zealand software maker Xero is extremely ambitious: it wants to be the world leader in online accounting software—and it’s making good progress. The company’s namesake product, aimed at chartered accountants and small to midsize businesses, is gaining devotees by the day. The company’s customer base has grown beyond Asia Pacific to the United Kingdom and the United States. From 2010 to 2011, Xero more than doubled both its revenues—from NZ\$9.3 million (US\$7 million) to more than NZ\$19 million (US\$14.5 million)—and its customer base, from 36,000 to more than 78,000.

With its customer count doubling annually, Xero has to scale its IT platform rapidly and continuously. Xero has hosted its product with Rackspace since 2008 and has always used Microsoft SQL Server 2008 Enterprise data management software as its database engine. Rackspace is a US-based hosting and cloud computing provider that delivers hosting services to businesses around the world.

By early 2012, Xero had 50 servers in two Rackspace data centers—in Dallas, Texas, and in Chicago, Illinois—including two SQL Server clusters. All were Dell PowerEdge R710 and R810 servers running the Windows Server 2008 R2 operating





system. Xero began encountering scalability limits with its existing storage area network (SAN) and needed to upgrade. Upgrading storage made it a good time to also upgrade the database software.

Solution

"We want to keep up with the latest features in SQL Server," says Paul Rushworth, Platform Manager at Xero.

"Some of the features in SQL Server 2012 support higher availability and scalability, which would let us fail over databases more seamlessly and also test new product features more easily. Upgrading to SQL Server 2012 would help us improve our resilience and response."

Xero began evaluating SQL Server 2012 in April 2012, with special interest in the SQL Server 2012 AlwaysOn feature. With it, Xero can treat a group of databases as a single entity called an Availability Group and fail over a group of databases as a single unit. By using AlwaysOn, Xero will be able to set up an active/active/passive configuration for its databases, which will deliver greater availability and enable easier testing of new features.

Xero is also exploring SQL Server 2012 enhancements to the T-SQL (Transact SQL) language. Some of these enhancements ease the transition to SQL Server from other languages and platforms and others provide new ways to solve database problems. "Our product makes extensive use of T-SQL, so these improvements will help our developers write more efficient, high-performing code," Rushworth says.

Xero's main production database contains roughly five terabytes of data and serves nearly 80,000 customers. With Rackspace, Xero can continue expanding its customers and data stores without scalability or infrastructure concerns. For example, when Xero needed to upgrade its SAN, Rackspace researched the best option. Xero plans to have production workloads running on SQL Server 2012 by October 2012.

Benefits

By upgrading to SQL Server 2012 and hosting with Rackspace, Xero can gain the scalability it needs to accommodate fierce business growth, create higher-performing code, and focus on its business rather than infrastructure concerns.

Scale Easily to Accommodate Business Growth

Xero is doubling in size annually, and SQL Server 2012 and Rackspace are key enablers of that growth. "By hosting SQL Server 2012 with Rackspace, we have the scalability we need to spin up databases very quickly and cost-effectively, thanks to the cloud delivery model," Rushworth says. "No matter how much our customer base and databases grow, we're ready."

Xero is adding a database node every two to three months and plans to double its storage shortly. By working with Rackspace, Xero does not have to incur the capital expenditure and pain of performing a SAN upgrade itself; Rackspace takes care of every inch of the infrastructure.

Additionally, by taking advantage of US Rackspace data centers, Xero can also take advantage of US-based Rackspace employees, who are hard at work while Xero employees sleep. "We have a growing global customer base, so Rackspace's global presence is a huge asset," says Rushworth.

Create Higher-Performing Code

By using the improvements to T-SQL, the Xero development team can write more efficient code, which not only improves developer productivity but increases product performance and availability.

"Once in production, we expect to see query speed performance improvements, which gives customers a better experience using our product," Rushworth says. "We can expand our business globally while maintaining very high performance and outstanding customer response times."

Focus on Business Rather than Infrastructure

In Rackspace, Xero has far more than a hosting provider; it has a trusted business partner. "Our ambition is to be the world's best small business accounting solution, so we need to be with the top hosting provider—and today, that's Rackspace," Rushworth says. "Our business wouldn't exist if we'd had to create a comparable infrastructure on premise. Rackspace is a true partner and a core part of our operational team. They research and invest in the latest technology so we don't have to. It makes our job not only easier but more pleasant."

Software and Services

- Microsoft Server Product Portfolio
 - Windows Server 2008 R2
 - Microsoft SQL Server 2012

Hardware

- Dell PowerEdge R810 and R710 servers